

Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIAOrder Instituting Rulemaking to Review the
Affiliate Transaction Rules.Rulemaking 01-01-001
(Filed January 4, 2001)**OPINION CLOSING RULEMAKING 01-01-001****Summary**

This decision closes Rulemaking (R.) 01-01-001.

Background

On January 4, 2001, the Commission initiated an Order Instituting Rulemaking (OIR) to review the Affiliate Transaction Rules (ATR) adopted by Decision (D.) 97-12-088, and modified by D.98-08-035 and other Decisions. On April 3, 2001, the Commission initiated an Order Instituting Investigation (OII) 01-04-002 into whether the Investor Owned Utilities (IOU) and their respective holding companies violated relevant statutes and Commission rules and decisions. It was anticipated by the Commission that OII 01-04-002 would examine the relationships between the IOUs and their holding companies to see if any changes were warranted to the holding company rules. The Commission was concerned that there could be unnecessary duplication of effort by the parties and staff if both proceedings proceeded simultaneously. In addition, it was hoped that once the issues were addressed and resolved in the holding company OII that the parties and the Commission would have a clearer vision as to the direction the review of the ATRs should take. Therefore, on April 25, 2001,

an Administrative Law Judge's (ALJ) Ruling stayed OIR 01-01-001 until further Commission notice or action. The stay has never been lifted.

On January 28, 2005, the assigned ALJ issued a ruling that provided parties with notice that the Commission intended to close the Rulemaking and gave parties until February 28, 2005, to file an objection. Pacific Gas and Electric Company (PG&E) and Office of Ratepayer Advocates (ORA) filed responses, but did not oppose the closing of the proceeding.

Discussion

R.01-01-001 has been stayed for almost four years. Due to the passage of time the Rulemaking as currently drafted no longer addresses the issues that could be of concern to the Commission today. Considering the age of the Rulemaking and the staleness of the issues, the Commission closes this proceeding. If the Commission determines it is interested in revisiting a review of the ATRs it will initiate a new proceeding.

Comments

Since parties were given 30-days notice to file an objection to the closing of the proceeding, and no objections were received, in accordance with Pub. Util. Code Section 311(g)(2) and Rule 77.7 of the Rules of Practice and Procedure this matter is proceeding as an uncontested matter.

PG&E's response urged the Commission to consider granting waivers from certain affiliate rules on a case-by-case basis. That request is beyond the scope of this decision. ORA's response indicated that it did not oppose closing the proceeding now because the ratepayers would still be protected because the existing auditing and reporting requirements are still intact.

Assignment of Proceeding

Susan P. Kennedy is the Assigned Commissioner and Carol A. Brown is the assigned ALJ in this proceeding.

Findings of Fact

1. R.01-01-011 has been stayed for over four years.
2. Due to the passage of time, the Rulemaking as currently drafted no longer addresses the issues that could be of concern to the Commission, the parties and interested stakeholders today.
3. R.01-01-001 should be closed.

Conclusion of Law

In light of the passage of time since the Commission initiated the Rulemaking in 2001, it is reasonable to close the proceeding.

O R D E R

IT IS ORDERED that Rulemaking 01-01-001 is closed.

This order is effective today.

Dated _____, at San Francisco, California.